

Statement of the UNDP Regional Director for Asia and the Pacific

Afghanistan Conference

Side Event #3: Economic Priorities and Aid Effectiveness

Monday 23 November, 10am – 12pm EST

Excellencies, Ambassadors, distinguished guests,

On behalf of the co-organizers – AFG Ministry of Finance, US govt and UNDP, let me thank you for joining us at this session. Let me recognize His Excellency Minister of Finance Agardhiwal, SRSB Lyons, and USAID Acting Deputy Administrator Barsa.

There has never been a more critical time to invest in Afghanistan's development. The recent violence and tragic loss of life is deeply disturbing. And our deepest condolences to families who have lost loved ones.

The shocks of conflict, climate and COVID-19 have set back the country's economic growth and human development potential by several years. For the first time in 30 years, Afghanistan's Human Development Index is set to decline.

Against this backdrop, AFG is a country determined to find a way out - out of war and out of halted development. This needs its people, leadership and partners, all pulling in the same direction.

Let me be very direct - we cannot all be doing the same as we have been doing for years and expect a different result. So we have to change our mind sets, what we strategically commit to and what we invest in.

I wish to share Five levers that are, and can further move the country on a different pathway, and I hope they resonate with you.

First, public finance and ODA must better leverage private investment, both domestic and international.

An SDG-focused engagement of the private sector can help redirect market value, to create jobs at scale, and meet the development financing gap. We have worked the costings and options with government. The continuation of ODA remains critical, and also to attract and help de-risk private capital to invest in both physical and social infrastructure is key.

Second, the intensity of climate and environmental vulnerabilities facing the country has to be central to the response.

Afghanistan remains one of the most vulnerable countries to climate change, and at the same time, one of the least equipped to deal with its consequences. A clear transition to renewable energy will be a game changer.

Third, investing in people first, both their learning, capabilities and ensuring social protection when things get really tough, ensures the bottom does not fall out.

Beyond education, a universal basic income, that helps keep families afloat, is proven to keep the worst from happening and avoid collapsing societies. I hope this can be implemented.

Fourth, a big part of sustaining peace and progress is to invest in the role and aspirations of women and girls. Without this, the core values that hold a society together, implode. The hard-won gains for women must to be preserved and expanded.

Finally, continuing to invest in public institutions and the larger governance agenda cannot be overstated.

Capable and mature institutions to help Afghanistan agree on and adopt the right policies and regulations, and implement and oversee them, will also move towards that much-needed stability that re-sets the social contract with citizens, and signals an investment-friendly climate, that is much-needed going forward. Rule of law and the institutions of justice must work.

So, the bottom line, from a UNDP perspective, is that we must shift together to a development vision and fundamentals. Afghanistan's investment in sustainable development is one that may still face the reality of conflict and uncertainty - this means a risk-informed development that cannot play second fiddle but must work with a sense of urgency. And we can do this.

Thank you.